Development Bank of Japan Research Report No. 26

Survey on Planned Capital Spending for Fiscal Years 2001 and 2002 (Conducted in February 2002)

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Economic and Industrial Research Department
Development Bank of Japan

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I Outline

Objectives

This survey has been conducted biannually (in February and August) since FY1956 by the Development Bank of Japan to assess major trends in the capital spending of Japanese industry.

The Scope of Capital Spending

In this survey, "capital spending" refers to domestic investment in the tangible fixed assets of one's own corporation; these assets include buildings, structures and equipment (including ships, aircraft, rolling stock, tools and furnishings), as well as the purchase and development of land (excluding the purchase of land for subdivision in the real estate industry). Accordingly, intangible fixed assets are excluded, as are capital spending abroad and investment in subsidiaries/affiliated firms (except that "information technology investment" includes intangible fixed assets as indicated later).

Survey Methods

The survey was conducted by means of a questionnaire (sent to and completed by individual firms). Capital spending has been calculated based on construction. In general, it is calculated as the sum total of tangible fixed assets, including the construction in progress account (without subtracting resale value, depreciation and loss).

Target Firms

This survey covers all private firms in Japan's major industries capitalized at ¥1 billion or more, excluding agriculture, forestry, finance and insurance and medicine. The Teito Rapid Transit Authority has been included in the survey despite the fact that it is classified as a (non-financial) public corporation under the System of National Accounts (SNA).

Date of Survey

February 10, 2002

Contents of the Survey

(i) Anticipated actual capital spending in FY2001 and planned capital spending for FY2002
(ii) Details of individual construction projects in FY2001 and FY2002
(iii) Anticipated revenues and expenditures in FY2001 and FY2002
(iv) Investment motives in FY2001 and FY2002
(v) Trends in land investment in FY2001 and FY2002
(vi) Capital spending abroad in FY2001 and FY2002
(vii) Information technology investment in FY2001 and FY2002

Responses

The responses to the survey are shown below. In terms of the number of targeted firms and respondents, this survey is the largest among similar national surveys of capital spending trends.

	No. of Firms Targeted	No. of Firms Giving Valid Responses	Proportion of Valid Responses
Principal Business Classification	3,559	2,906	81.7%
Investment-Specific Classification	4,311	3,565	82.7%

On the Totals

Industrial classification

There are two types of industrial classifications: principal business classification and investment specific classification. The former classifies and totals the companies' responses based on the main business interest of each company, whereas the latter classifies and totals the amount of investment for each business sector in a company's response according to industrial sector.

Although mainly the investment specific classification is used for the analysis, the principal business classification is adopted in some cases.

Timing of survey and years covered

The survey is conducted twice a year, in February and in August. Since each fiscal year is surveyed five times until planned investments are materialized, the results reveal business sentiments in detail, for example, through the extent to which planned investments have been modified.

Timing of survey	FY1999	FY2000	FY2001	FY2002	FY2003
August 2000	Actual	Modified plan	Plan for next FY		
February 2001		Actual expected	Initial plan		
August 2001		Actual	Modified plan	Plan for next FY	
February 2002			Actual expected	Initial plan	
August 2002			Actual	Modified plan	Plan for next FY

Decrease in Capital Spending for the Second Consecutive Year, Mainly in the Manufacturing Sector: Steady investment in urban infrastructure

II Summary

1. Overall Condition

Actual capital spending of all industries in FY2001 (based on construction; change from previous fiscal year) again shifted to a decline, dropping 6.6%.

Planned capital spending in FY2002 dropped 2.7%, decreasing for the second consecutive year.

2. Estimated Actual Capital Spending for FY2001

In addition to a drop in estimated actual capital spending in FY2001 in the manufacturing sector (down 7.0%), there was also a decrease in the non-manufacturing sector (down 6.3%), resulting in a decline for all industries for the first time in two years (down 6.6%).

3. Planned Capital Spending for FY2002

Planned capital spending for FY2002 continued to decline in the manufacturing sector (down 8.2%) while remaining level in the non-manufacturing sector (up 0.0%), leading to a decline for all industries (down 2.7%) for the second consecutive year.

In the manufacturing sector (down 8.2%), planned capital spending on petroleum will increase due to investments in environmental measures, whereas that on automobiles will remain flat, with investments continuing to be made in new models. However, capital spending on electric machinery, especially electronic devices, will again show a double-digit decrease, while the completion of production capacity expansions and the consolidation of production facilities in pulp & paper and a temporary pause in large-scale repairs in iron & steel will also lead to widespread declines.

Planned capital spending is projected to decrease also in the non-manufacturing sector due to the completion of construction of thermal power plants in electrical power, cutbacks in investments in fixed telephones in telecommunications & information, and the completion of construction of a large-scale theme park in services. Meanwhile, increases are planned in railways due to further construction and extension of new railway lines, as well as in warehousing & transportation due to full-scale promotion of airport construction, in leasing as demand shifts from purchasing to leasing, and in retail with the establishment of new supermarkets and other outlets under the Large-Scale Retail Store Siting Law. Overall, planned capital spending in the non-manufacturing sector remains flat (up 0.0%).

Compared to the previous survey (August 2001), the manufacturing sector and the non-manufacturing sector were both revised downward in FY2001 (down 12.2% and 4.5% respectively). There was an especially broad downward revision in electric machinery in the manufacturing sector. Both the manufacturing sector and the non-manufacturing sector were revised downward in FY2002 (down 8.7% and 2.3% respectively, for an overall decline of 3.2%).

Trends by half term against the previous year show that whereas there was an increase of 2.0% in the first half of FY2002, there was a decrease of 6.7% in the latter half.

Investment motives in the manufacturing sector in FY2002 indicate that the share of "maintenance and repair," "product development and upgrading," "rationalization and laborsaving" and "research and development" increased whereas the share of "expansion of production capacity" dropped significantly. Meanwhile, "expansion of production capacity" moved upward for the first time in three years in the non-manufacturing sector with the contribution of railways, real estate and retail, whereas the shares of "product development and upgrading" and "maintenance and repair" slumped.

Land investments in FY2002 will decline in both the manufacturing and non-manufacturing sectors with planned reductions of 11.3% overall, dropping below the level of the previous year. However, the extent of the decline at the time of the survey was small considering trends in recent years. There is a tendency for land investments to undergo large upward revisions between the planning and implementation stages.

Domestic capital spending (¥1,152.9 billion) by foreign-affiliated companies (137 companies, with more than one-third foreign ownership) in FY2002 is slated to increase in wholesale & retail and telecommunications & information but, in addition to an extensive slide in electric machinery, will also drop in transport machinery. There will thus be a decline overall (down 3.3%) for the second consecutive year. The domestic capital spending of foreign-affiliated companies accounts for 5.4% of spending by all industries.

The ratio of capital spending to cash flow (net profit + depreciation cost) will fall below the level of the previous year in both the manufacturing and non-manufacturing sectors and will remain at a low level (all industries: 122.7% in FY2001 → 100.7% in FY2002).

Investments in information technology by users for making their own companies more efficient is robust and will continue to increase in production and customer management related areas in the manufacturing sector (up 1.5%) whereas the non-manufacturing sector will shift to negative growth (down 11.3%) in reaction to large investments in electric power, wholesale & retail and airlines during the previous year.

4. Features of Planned Capital Spending for FY2002

IT-related investments on the equipment supply side, which experienced a considerable downward revision in FY2001, are expected overall to be restrained or postponed in FY2002 and plans are cautious with an eye to market trends. Although there is enthusiasm in some areas, such as flat panel displays (plasma display panels [PDPs], etc.), IT-related investments will be reduced in electric machinery, mainly due to lower mos memories production. Decreases will continue in cement and ceramics & glass, due to postponement in investment related to information and communication, and in precision machinery, due to restraints in semiconductor equipment production. IT-related investment in the non-ferrous metals industry will decrease, due to a substantial decrease in investment for expansion of production capacity in optical parts.

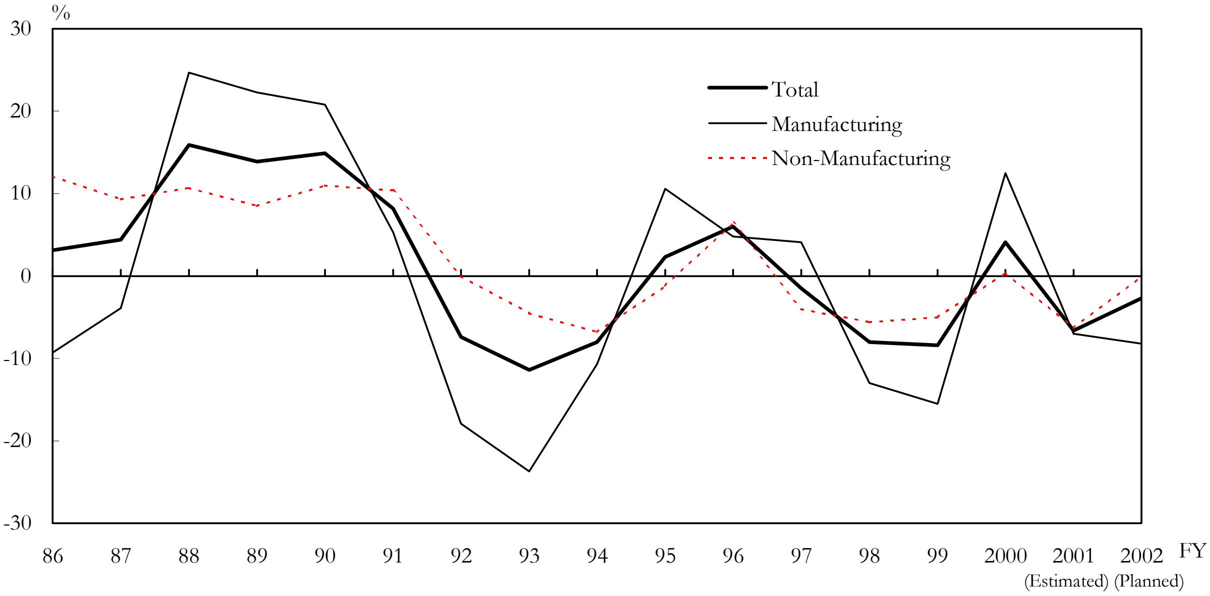
Meantime, firmness is also evident in investments for urban infrastructural development. This is bolstered by expanded investments in railway networks, airports and other segments of the metropolitan transportation infrastructure as well as by investments in large-scale redevelopment projects in metropolitan Tokyo. In addition, steady investments are also apparent in fiber-optic networks, for fiber to the home (FTTH) and digital broadcasting in telecommunications & information.

Capital Spending

	FY2001 (2,783 firms)			FY2002 (2,906 firms)		
	FY2000 Actual	FY2001 Estimated	Growth Rate (%) 2001/2000	FY2001 Estimated	FY2002 Planned	Growth Rate (%) 2002/2001
Total	230,752	215,589	-6.6	218,333	212,351	-2.7
Excluding Electric Power	*195,575*	*180,539*	*-7.7*	*183,187*	*179,070*	*-2.2*
Manufacturing	77,306	71,880	-7.0	73,251	67,263	-8.2
Non-Manufacturing	153,445	143,708	-6.3	145,082	145,088	0.0
Excluding Electric Power	*118,268*	*108,659*	*-8.1*	*109,936*	*111,806*	*1.7*
Electric Power	*35,177*	*35,050*	*-0.4*	*35,146*	*33,282*	*-5.3*

Note: Monetary amounts are in 100 million yen.

Growth in Capital Spending



Capital Spending, by Industry

	Capital Spending (100 million yen)				Growth Rate (%)		Component Rate (%)	
	FY2000 Actual	FY2001 Estimated	FY2001 Estimated	FY2002 Planned	2001/2000	2002/2001	FY2001 Estimated	FY2002 Planned
	(2,783firms)		(2,906 firms)				(2,906 firms)	
Total	230,752	215,589	218,333	212,351	-6.6	-2.7	100.0	100.0
Excluding Electric Power	*195,575*	*180,539*	*183,187*	*179,070*	*-7.7*	*-2.2*	*83.9*	*84.3*
Manufacturing	77,306	71,880	73,251	67,263	-7.0	-8.2	33.5	31.7
Food & Beverages	4,652	4,477	4,619	4,223	-3.8	-8.6	2.1	2.0
Textiles	629	760	774	683	20.7	-11.8	0.4	0.3
Paper & Pulp	2,223	2,687	2,687	2,026	20.9	-24.6	1.2	1.0
Chemicals	9,249	10,269	10,505	9,898	11.0	-5.8	4.8	4.7
Organic Chemicals	4,115	4,455	4,620	4,481	8.3	-3.0	2.1	2.1
Pharmaceuticals	1,855	2,122	2,165	1,927	14.4	-11.0	1.0	0.9
Petroleum	936	1,314	1,314	1,704	40.4	29.6	0.6	0.8
Cement, Ceramics & Glass	2,410	2,237	2,261	1,881	-7.2	-16.8	1.0	0.9
Iron & Steel	3,906	4,380	4,380	3,790	12.1	-13.5	2.0	1.8
Ordinary Steel	*3,210*	*3,680*	*3,680*	*3,019*	*14.7*	*-18.0*	*1.7*	*1.4*
Non-Ferrous Metals	3,103	3,368	3,424	2,943	8.6	-14.1	1.6	1.4
General Machinery	4,236	4,348	4,576	4,204	2.7	-8.1	2.1	2.0
Electric Machinery	26,651	18,795	19,358	17,218	-29.5	-11.1	8.9	8.1
Electric Devices	*20,371*	*13,004*	*13,182*	*11,497*	*-36.2*	*-12.8*	*6.0*	*5.4*
Precision Machinery	1,489	1,322	1,354	1,269	-11.2	-6.3	0.6	0.6
Transportation	12,838	13,784	13,799	13,684	7.4	-0.8	6.3	6.4
Automobiles	*12,199*	*13,020*	*13,029*	*13,025*	*6.7*	*-0.0*	*6.0*	*6.1*
Other Manufacturing	4,985	4,141	4,200	3,741	-16.9	-10.9	1.9	1.8
Non-Manufacturing	153,445	143,708	145,082	145,088	-6.3	0.0	66.5	68.3
Excluding Electric Power	118,268	108,659	109,936	111,806	-8.1	1.7	50.4	52.7
Construction	1,422	1,454	1,459	1,211	2.3	-17.0	0.7	0.6
Wholesale & Retail	13,117	10,285	10,505	10,702	-21.6	1.9	4.8	5.0
Retail	*10,566*	*8,352*	*8,508*	*9,138*	*-21.0*	*7.4*	*3.9*	*4.3*
Real Estate	10,755	8,731	8,743	8,904	-18.8	1.8	4.0	4.2
Transportation	17,588	16,919	16,936	20,444	-3.8	20.7	7.8	9.6
Railways	*12,734*	*10,662*	*10,662*	*12,978*	*-16.3*	*21.7*	*4.9*	*6.1*
Marine Transport	*382*	*441*	*441*	*280*	*15.5*	*-36.6*	*0.2*	*0.1*
Airlines	*1,686*	*1,764*	*1,764*	*1,995*	*4.6*	*13.1*	*0.8*	*0.9*
Warehousing	*1,566*	*2,715*	*2,732*	*3,891*	*73.4*	*42.4*	*1.3*	*1.8*
Electric Power & City Gas	38,340	38,127	38,223	36,207	-0.6	-5.3	17.5	17.1
Electric Power	*35,177*	*35,050*	*35,146*	*33,282*	*-0.4*	*-5.3*	*16.1*	*15.7*
City Gas	*3,164*	*3,077*	*3,077*	*2,926*	*-2.7*	*-4.9*	*1.4*	*1.4*
Telecom. & Information	32,347	30,325	30,900	29,722	-6.3	-3.8	14.2	14.0
Leasing	34,562	34,103	34,363	35,148	-1.3	2.3	15.7	16.6
Services	5,033	3,273	3,399	2,275	-35.0	-33.1	1.6	1.1
Other Non-Manufacturing	281	493	555	475	75.4	-14.3	0.3	0.2

Notes: Other Manufacturing includes Publishing & Printing, Rubber, and Metal Products. Other Non-Manufacturing includes Fishing, and Mining.

III Survey Results

1. Estimated Actual Capital Spending for FY2001

Outline

In estimated actual capital spending for FY2001, there was a decline in both the manufacturing sector (down 7.0%) and the non-manufacturing sector (down 6.3%), causing a downward shift to the negative side in all industries (down 6.6%).

In the manufacturing sector (down 7.0%), spending for high value-added products in chemicals, for new model changes in automobiles and for facility improvements (primarily blast furnaces) in iron & steel led to an increase in each of these industries. However, a considerable drop in spending in electric machinery, especially for electronic devices, which account for the majority of spending, led to a decline.

In the non-manufacturing sector (down 6.3%), in spite of an extensive boost in spending with the full-scale promotion of airport construction by warehousing & transportation related industries, spending diminished in wholesale & retail primarily in reaction to the accelerated establishment of stores following the enactment of the Large-Scale Retail Store Siting Law, in railways due to the completion of sections of new railway lines and extensions in the Tokyo metropolitan area, in real estate due to dwindling retail-related and regional projects and in telecommunications & information reflecting reduced investments mainly in fixed telephones.

Trends, by Industrial Sub-Sector

Trends in capital spending by industry are as indicated below (figures in curly brackets { } show the percentage of each subsector in total planned capital spending).

Materials (up 10.1%) {11.0%}

Capital spending in the materials subsector shifted to negative growth in cement, ceramics & glass due to the postponement of investments, whereas chemicals, paper & pulp and non-ferrous metals, which account for a large portion of capital spending in the materials industries, continued to increase. Capital spending in iron & steel and textiles showed positive growth for the first time in three years and four years, respectively, resulting in an increase for the second consecutive year.

In the chemicals industry, on the other hand, capital spending recorded double-digit growth for the second consecutive year, due to investments in high value-added products in organic chemicals as well as plant construction and the development of research facilities for pharmaceuticals and other chemicals. In paper & pulp, there were investments for special paper and other areas as well as investments accompanying the consolidation of production facilities, leading to double-digit spending growth for the second straight year. Spending also increased in non-ferrous metals for the second consecutive year, due to investments in optical parts and 300mm silicon wafers. Capital spending in iron & steel rose for the first time in three years, due to the growing move toward improvements of blast furnaces and other facilities. Textiles also moved higher for the first time in four years, as the result of investment for the expansion of production capacity for non-woven fabric.

Meanwhile, cement, ceramics & glass experienced a sizable downward revision in investment in liquid crystal displays and other data communications related products, switching to a decline following the notable increase in the previous year.

Processing & Assembly (down 14.6%) {21.9%}

Despite the shift to positive growth in automobiles for the first time in four years and an increase in general machinery, spending in processing & assembly industries dropped substantially overall due to considerable declines in electric machinery and precision machinery, where conspicuous growth was recorded in the previous year, as well as to the continuing slide in food & beverages.

Though investment remained constrained in automobiles, there were investments for new models and the restructuring of production systems, recording an increase for the first time in four years. In spite of the turn to a decline in general machinery parts, general machinery continued to increase, primarily in office and household equipment.

Meanwhile, in electric machinery, extensive cutbacks in spending for electronic devices, which account for the majority of investment in the industry, led to a broad drop in spending in contrast to the significant increase in the previous year. In spite of increased spending for medical instruments, spending in precision machinery experienced a double-digit decline due to the extensive deterioration in semiconductor production equipment. In addition, although investments were evident along with the restructuring of the sugar industry, spending in food & beverages was weak overall and the decline persisted.

Energy (up 1.0%) {18.3%}

The outlook for the energy industries remains at almost the same level as in the previous year.

Spending in the electric power industry decreased for the eighth year running due to curbs on investment by the nine major power suppliers in production and distribution facilities together with the peaking of thermal power plant construction. The gas industry also recorded a drop for the sixth straight year, due to the completion of large-scale investments in exclusive LNG business operations and thermal energy distribution. Meanwhile, spending in petroleum increased for the first time in nine years with stronger investments for gasoline desulfurization and other environmental measures as well as the consolidation and renovation of distribution facilities.

Non-Manufacturing, excluding Energy (down 8.5%) {48.8%}

Despite increases in construction, total spending in non-manufacturing excluding energy shifted to a decline, reflecting a downturn in investments in wholesale & retail, real estate, telecommunications & information, services, transportation and leasing.

There was a broad drop in wholesale & retail in reaction to the accelerated establishment of stores following the enactment of the Large-Scale Retail Store Siting Law in the previous year and also in real estate in reaction to the acquisition of existing assets the year before. In telecommunications & information, spending turned down due primarily to curtailed investments in fixed telephones. Spending in services declined extensively as investments in a large-scale theme park in the Tokyo waterfront area had either been completed or had passed their peak. In transportation, although airport-related investments increased, spending in railways decreased due to the completion of the construction of new railway lines and extensions. Leasing also shifted to a decline reflecting deterioration in the business environment.

Meanwhile, an increase was evident in construction for the first time in nine years with the acquisition of business restructuring related assets.

Capital Spending, by Industry

	Growth Rate (%)					Share (%)				
	FY1998	FY1999	FY2000	FY2001	FY2002	FY1998	FY1999	FY2000	FY2001	FY2002
Materials[a]	-12.8	-21.5	10.0	10.1	-11.7	9.7	8.5	9.1	11.0	10.0
Paper & Pulp	*-33.8*	*-29.4*	*24.2*	*20.9*	*-24.6*	*1.0*	*0.7*	*0.9*	*1.2*	*1.0*
Chemicals	*-10.2*	*-22.4*	*10.1*	*11.0*	*-5.8*	*4.3*	*3.9*	*4.1*	*4.8*	*4.7*
Iron & Steel	*0.3*	*-14.0*	*-21.1*	*12.1*	*-13.5*	*2.2*	*2.0*	*1.6*	*2.0*	*1.8*
Processing & Assembly[b]	-12.1	-12.2	15.1	-14.6	-7.4	21.0	20.8	23.0	21.9	20.9
Food & Beverages	*-12.1*	*-2.7*	*-3.2*	*-3.8*	*-8.6*	*2.2*	*2.4*	*2.2*	*2.1*	*2.0*
Electric Machinery	*-21.9*	*-0.0*	*38.7*	*-29.5*	*-11.1*	*7.2*	*8.2*	*10.8*	*8.9*	*8.1*
Automobiles	*-4.2*	*-18.6*	*-3.2*	*6.7*	*0.0*	*5.9*	*5.3*	*5.0*	*6.0*	*6.1*
Energy[c]	-9.2	-7.4	-9.9	1.0	-4.3	17.6	18.0	15.7	18.3	18.0
Petroleum	*-32.5*	*-32.3*	*-36.8*	*40.4*	*29.6*	*0.8*	*0.6*	*0.4*	*0.6*	*0.8*
Electric Power	*-8.0*	*-5.6*	*-9.5*	*-0.4*	*-5.3*	*15.4*	*16.0*	*14.0*	*16.1*	*15.7*
Non-Manufacturing Excluding Energy[d]	-4.8	-4.5	3.7	-8.5	2.0	51.6	52.7	52.2	48.8	51.1
Construction	*-16.6*	*-35.0*	*-5.4*	*2.3*	*-17.0*	*1.2*	*0.8*	*0.7*	*0.7*	*0.6*
Wholesale & Retail	*-1.7*	*-8.5*	*6.6*	*-21.6*	*1.9*	*4.8*	*5.2*	*5.6*	*4.8*	*5.0*
Real Estate	*-19.2*	*-19.2*	*17.7*	*-18.8*	*1.8*	*4.3*	*4.0*	*4.8*	*4.0*	*4.2*
Transportation	*-8.8*	*-2.7*	*-5.0*	*-3.8*	*20.7*	*7.0*	*7.6*	*7.0*	*7.8*	*9.6*
Telecom.& Information	*3.7*	*-12.5*	*2.1*	*-6.3*	*-3.8*	*16.4*	*15.4*	*15.7*	*14.2*	*14.0*
Leasing	*-6.5*	*7.6*	*5.4*	*-1.3*	*2.3*	*16.5*	*17.6*	*16.2*	*15.7*	*16.6*
Services	*-7.1*	*38.9*	*3.7*	*-35.0*	*-33.1*	*1.3*	*2.1*	*2.1*	*1.6*	*1.1*
All Industries	-8.0	-8.4	4.1	-6.6	-2.7	100.0	100.0	100.0	100.0	100.0
Excluding Electric Power	*-8.0*	*-8.9*	*6.8*	*-7.7*	*-2.2*	*84.6*	*84.0*	*86.0*	*83.9*	*84.3*
Manufacturing	-13.0	-15.5	12.5	-7.0	-8.2	31.6	29.9	32.5	33.5	31.7
Non-Manufacturing	-5.6	-5.0	0.4	-6.3	0.0	68.4	70.1	67.5	66.5	68.3
Excluding Electric Power	*-4.9*	*-4.8*	*3.5*	*-8.1*	*1.7*	*53.0*	*54.1*	*53.6*	*50.4*	*52.7*

Note: FY2001 and FY2002 share (%) figures are based on 2,783 companies that responded to the survey in both years.

[a] Materials: textiles; paper & pulp; chemicals; cement, ceramics & glass; iron & steel; non-ferrous metals

[b] Processing & assembly: food & beverages; general machinery; electric machinery; precision machinery; transportation; other manufacturing

[c] Energy: petroleum; electric power; city gas and coal; crude oil & natural gas

[d] Non-Manufacturing, excluding energy: non-manufacturing industries excluding those industries mentioned in 'Energy' above

2. Planned Capital Spending for FY2002

Outline

Planned capital spending for FY2002 shows a decrease for the second year in a row amounting to 2.7%, with persisting declines in the manufacturing sector (down 8.2%) and a leveling-off in the non-manufacturing sector (up 0.0%).

In the manufacturing sector (down 8.2%), in spite of an expected increase in spending for environmental measures in petroleum and the leveling-off in automobiles with new model changes, continuing double-digit deterioration is expected in electric machinery centered on electronic devices, and decreases are also planned in paper & pulp due to the completion of production capacity expansions and the consolidation of production facilities, and in iron & steel due to large-scale improvements, resulting in a decline overall.

Meanwhile, the non-manufacturing sector is expected to move downward due to the completion of construction of thermal power plants in electric power, restrained investments in fixed telephones in telecommunications & information, and the completion of a large-scale theme park in services. In contrast, increases are planned in railways due to the progress in new line and extension construction, in warehousing & transportation due to the full-scale promotion of airport construction, in leasing as demand shifts from purchasing to leasing, and in retail with the establishment of new supermarkets and other outlets under the Large-Scale Retail Store Siting Law. Overall, therefore, growth in the non-manufacturing sector will remain flat (up 0.0%).

Trends, by Industrial Subsector

Trends in planned capital spending for FY2002, classified by industrial subsector, are as follows (figures in curly brackets { } show the percentage of each subsector in total planned capital spending).

Materials (down 11.7%) {10.0%}

Planned capital spending in the materials subsector is expected to shift to a double-digit decrease in chemicals as well as in the heavily weighted industries of paper & pulp, iron & steel, non-ferrous metals and textiles together with a broader range of decline in cement, ceramics & glass, resulting in lower capital spending in all industries and a decline overall for the first time in three years.

In chemicals, the termination of large-scale investments of the previous year in the organic chemical subsector and the completion of investments for capacity expansions in pharmaceuticals will result in slower spending growth for the first time in three years. The completion of investments for increased capacity and the consolidation of production facilities in paper & pulp will cause a shift to negative growth for the first time in three years. Despite some facility improvements in iron & steel, capital spending will decrease again due to the completion of large-scale improvements in the previous year. Non-ferrous metals will see a drop for the first time in three years through a significant decline in investments for capacity expansions for optical parts and fibers. Based on plans, textiles will see another drop, in spite of some continuing investments in non-woven fabrics.

In cement, ceramics & glass, the decline in spending from the previous year is expected to expand, due to postponement of IT-related investment in glass.

Processing & Assembly (down 7.4%) {20.9%}

Capital spending in the processing & assembly subsector is expected to record a decline overall for the second consecutive year reflecting persistent subdued growth in automobiles and the continued double-digit decline in the heavily weighted electric machinery industry, continued negative growth in food & beverages and precision machinery, and a shift to a decline in general machinery.

Automobile investment was restrained, though there were investments for new model changes and for production system restructuring, and overall it remained level.

Meanwhile, though there was evidence of some increases such as in flat panel displays (plasma display panels [PDPs], etc.) in electric machinery, plans generally call for curtailed investments especially in mos memories and a double-digit fall is expected, continuing from the previous year. In spite of large investments for beverages in food & beverages, investments along with the restructuring of the sugar industry will come to an end, leading to a decline for the fifth straight year. Precision machinery will experience a drop for the second year in a row due to the continuing double-digit decline in semiconductor production equipment, notwithstanding the continued rise in medical instruments. In addition, general machinery will see negative growth for the first time in three years due to the expanded decline in general machinery parts and production equipment.

Energy (down 4.3%) {18.0%}

Plans in the energy subsector call for lower spending in electric power and gas.

In the electric power industry, the completion of construction of thermal power plants by the nine major electric power companies and the peaking of investments for wholesale electric power supply operations will cause a drop in spending for the ninth consecutive month. In gas, large-scale investments for LNG bases and research facilities for city gas are expected to end, and there are also plans for a reduction in exclusive LNG business operations and thermal energy distribution, which will result in a decline for the seventh consecutive year overall. Meanwhile, petroleum is expected to show a double-digit increase over the previous year through investments in light oil desulfurization facilities and other environmental measures as well as in self-service gas stations.

Non-Manufacturing excluding Energy (up 2.0%) {51.1%}

Looking at non-manufacturing excluding energy, declines will continue in spending in services, telecommunications & information and construction, but increases are planned in transportation, leasing, wholesale & retail and real estate, which will result in a shift to positive expansion in the subsector as a whole.

The completion of a large-scale theme park in the Tokyo waterfront area in services and curbs on investments in fixed telephones in telecommunications & information will bring about a drop for the second year running in both industries, whereas real estate figures will begin to decline in reaction to the acquisition of assets in the previous year.

In contrast, a significant increase is expected in transportation due to both ongoing airport construction and construction projects for new railway lines and extensions, especially in the Tokyo metropolitan area. A switch in demand from purchasing to leasing is anticipated in leasing, and, as full-scale metropolitan redevelopment projects are undertaken in real estate and as new supermarkets and other outlets are established in wholesale & retail, plans call for a switch to an increase in both industries.

Trends and Features of Capital Spending in FY2002, by Industry

Trends and features of capital spending in major industries are shown below. The figures in parentheses ( ) indicate changes in the rate of growth in capital spending for the industry in question between FY2001 and FY2002 and the figures to the right show the percentage of each industry in total planned capital spending in FY2002.

Materials

Chemicals (11.0% → -5.8%) 4.7%

In spite of investment for reinforcing mainstream business operations in organic chemicals, a shift to a decline is expected, partly in reaction to the previous year, whereas pharmaceuticals will show a double-digit drop due to the completion of capacity expansion investments, and subdued investments are expected in general in inorganic and other chemicals, leading to an overall decline for the first time in three years.

Iron & Steel (12.1% → -13.5%) 1.8%
Though investments and facility improvements will be evident, partly due to the consolidation of production system facilities, large-scale repairs will come to an end as investments become increasingly restrained, resulting in a shift to negative growth again.

Non-Ferrous Metals (8.6% → -14.1%) 1.4%
In spite of 300mm silicon wafer related investments, there will be a shift to a decrease for the first time in three years due to the broad downturn in investments for capacity expansions in optical parts and fibers.

Paper & Pulp (20.9% → -24.6%) 1.0%
Though there will be some construction work left over from the previous year, a decline is expected overall due to the completion of investments for capacity expansion and the consolidation of production facilities.

Cement, ceramics & glass (-7.2% → -16.8%) 0.9%
Besides continued restrained spending in cement, postponement of IT-related investment is also expected in glass and others, bringing about the first decline in two years.

Textiles (20.7% → -11.8%) 0.3%
A decrease is expected again in spite of some continued investments in non-woven fabric.

Processing & Assembly

Electric Machinery (-29.5% → -11.1%) 8.1%
Although spending is expected to increase somewhat in flat panel displays (plasma display panels [PDPs], etc.), plans call for a continued drop in investments for electronic devices, which account for the majority of spending in the industry, as well as for both electronic and electric equipment. Therefore, a two-digit slide in capital spending is expected in the industry as a whole for the second year in a row.

Automobiles (6.7% → -0.0%) 6.1%
Despite continued controls on investments in four-wheeled vehicles, investments for new model changes and production system restructuring will result in level growth. Though investments for new models will also increase spending in parts & chassis, a drop is foreseen in reaction to increased investments, leading to a standstill for the industry overall.

Food & Beverages (-3.8% → -8.6%) 2.0%
Although spending is expected to increase considerably in soft drinks, there will be a decline in the industry overall due in part to inactivity in investments in flour milling, sugar processing and edible oils as the sugar production industry restructures.

General Machinery (2.7% → -8.1%) 2.0%
In the midst of the intensifying overall tone of restraint, the extent of the decline in general machinery parts, due to the completion of large-scale investments, and in industrial machinery, due to the effects of business restructuring on the deterioration of supply and demand, is expected to expand further. Furthermore, large investments in office and household equipment have passed their peak and plant investments in metal processing machinery are completed,

resulting in a decrease in capital spending in the industry overall for the first time in three years.

Precision Machinery (-11.2% → -6.3%) 0.6%
In spite of an increase in medical instruments, the double-digit decline will continue in spending for semiconductor production equipment due to deterioration of the market environment, resulting in a decline for the second consecutive year.

Energy

Electric Power (-0.4% → -5.3%) 15.7%
Plans call for a reduction in capital spending both in the nine major power companies and in other power companies following the completion of construction of thermal power plants amidst persistent restraint, and because investments in the independent power producers are expected to peak.

Gas (-2.7% → -4.9%) 1.4%
In addition to a decrease in capital spending in city gas due to the completion of investments for the construction of LNG bases and large-scale investments in research facilities, the continuing downturn in capital spending in specialized LNG operations and thermal energy distribution will lead to a reduction in the industry as a whole for the seventh year running.

Petroleum (40.4% → 29.6%) 0.8%
In addition to an increase in investments for light oil desulfurization facilities and other environment measures at oil refineries, investments are also slated to increase in distribution facilities and self-service gas stations, resulting in continued double-digit growth in capital spending.

Non-Manufacturing excluding Energy

Leasing (-1.3% → 2.3%) 16.6%
An increase is expected due to intensified demand for capital spending in order to switch to leasing.

Telecommunications & Information (-6.3% → -3.8%) 14.0%
Controls on investments (especially in fixed telephones) in telecommunications, which are the core of this industry, will continue for the second year in a row in spite of continued investments in next-generation mobile telephones and the development of fiber optic networks, for fiber to the home (FTTH). Information services, too, will experience depressed spending. Increased spending is planned in broadcasting due to the construction of new company premises and investments in digitalization. Overall, the industry will see lower spending for the second straight year.

Railways (-16.3% → 21.7%) 6.1%
A broad increase in capital spending in railways is anticipated due to progress in the construction of new railway lines and extensions, especially in the Tokyo metropolitan area.

Wholesale & Retail (-21.6% → 1.9%) 5.0%
In wholesale, spending will be reduced for the fourth straight year due in part to the completion

of some investments in head offices. In retail, in spite of reduced spending due to the completion of investments in department store floor space expansions and renovations, the establishment of supermarkets and other outlets under the Large-Scale Retail Store Siting Law has begun and so spending is expected to increase following the broad decline of the previous year.

Real Estate (-18.8% → 1.8%) 4.2%

Despite a slowdown in investments for development primarily in areas surrounding commuter railway stations, the full-scale promotion of construction of a large-scale redevelopment project in the Tokyo metropolitan area, which will be completed in the second half, will lead to a slight increase in spending.

Services (-35.0% → -33.1%) 1.1%

A significant decrease in capital spending is expected for the second year in succession due to the completion of construction of a large theme park in the Tokyo waterfront area.

Warehousing & Transportation (73.4% → 42.4%) 1.8%

A substantial increase is expected for the second straight year as airport construction gets underway.

Construction (2.3% → -17.0%) 0.6%

Reduced spending is planned amidst continuing curtailments in spending by general contractors due in part to a decline in reaction to asset acquisition relating to business restructuring.

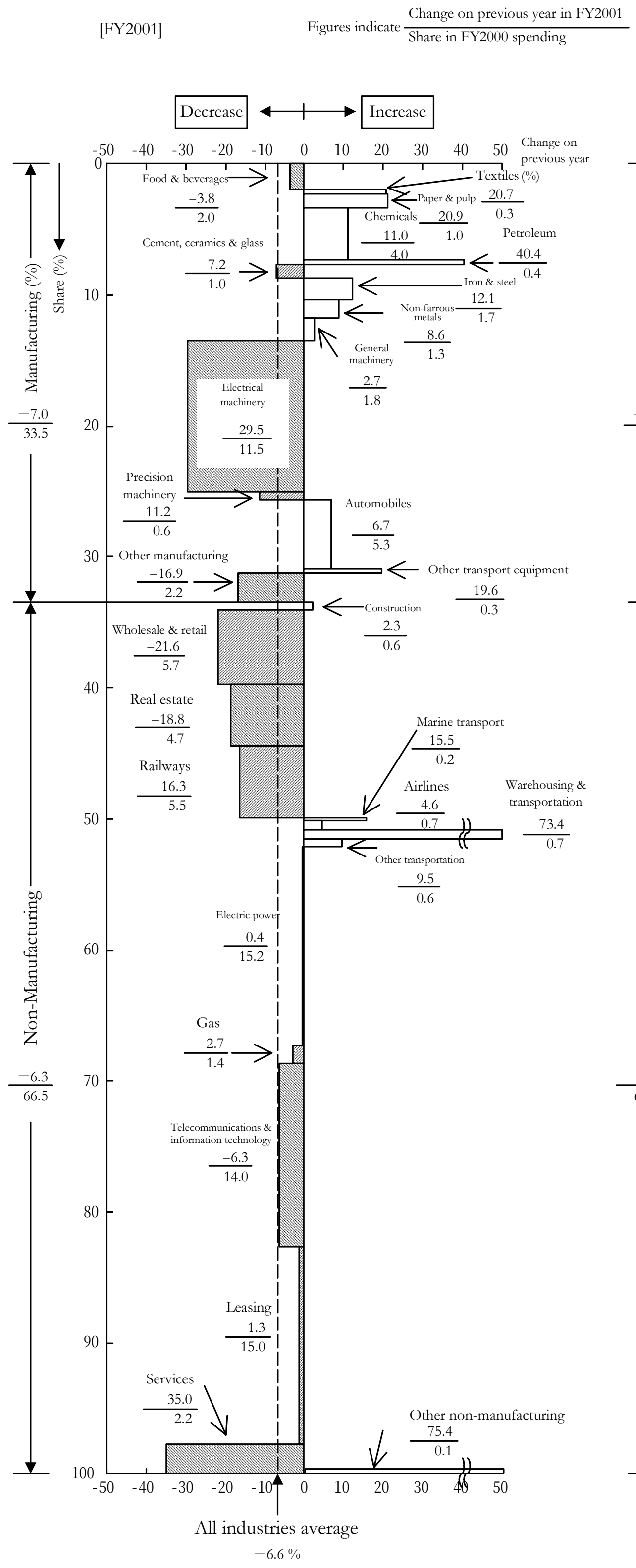
Airlines (4.6% → 13.1%) 0.9%

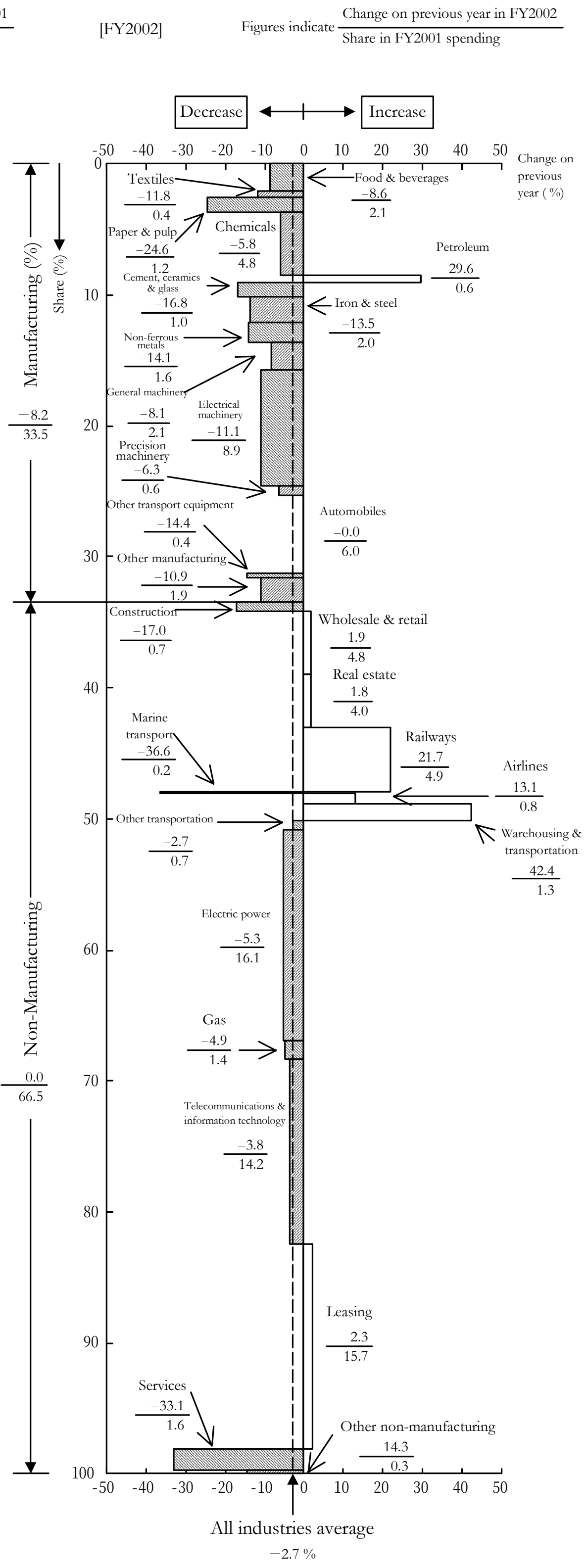
In spite of a possible downward revision due to an anticipated shift to leasing, there are plans for increased spending in the industry due to the acquisition of aircraft.

Marine Transport (15.5% → -36.6%) 0.1%

A shift to significant negative growth is expected in reaction to ship construction and acquisition.

Characteristics of Capital Spending, by Industry





3. Investment Motives

Investment Motives in the Manufacturing and Non-Manufacturing Sectors in FY2002

The respective weightings of each category of investment motive for the manufacturing sector in FY2002 indicate increases in the shares of “maintenance and repair,” “product development and upgrading,” “rationalization and laborsaving” and “research and development” as well as a huge drop in “expansion of production capacity.”

Meanwhile, in the non-manufacturing sector, the share of “expansion of production capacity” rose for the first time in three years due to the contribution of railways, real estate and retail, whereas the shares of “product development and upgrading” and “maintenance and repair” are declining.

Investment Motives in the Manufacturing Sector’s “Materials” and “Processing & Assembly” Industries

There was a considerable increase in the share of “maintenance and repair” (28.6% → 32.4%) in the materials subsector in FY2002 due to the contribution of iron & steel, and the shares of “product development and upgrading” (8.0% → 8.9%) and “research and development” (6.5% → 7.4%) also rose. Meanwhile, there was a significant drop in “expansion of production capacity” (27.2% → 22.4%) due to the diminished shares of cement, ceramics and glass and non-ferrous metals.

In addition, in processing & assembly industries, there was a sizable increase in the share of “product development and upgrading” (25.0% → 26.1%) in line with the contribution of precision machinery, as well as in the share of “rationalization and laborsaving” (9.9% → 11.6%) due to the contribution of automobiles and the share of “maintenance and repair” (13.6% → 14.8%), reflecting the contribution of electric machinery. On the other hand, there was a broad drop in the share of “expansion of production capacity” (29.5% → 25.3%) due to the reduction in the shares of electric machinery and food & beverages. As a result, the share of “product development and upgrading” in FY2002, albeit based on plans, exceeded the share of “expansion of production capacity” for the first time since the surveys in the relevant category began (1986).

Shift in Investment Motives within the Manufacturing Sector

Looking at the change in the share of each category of investment motive in the manufacturing sector, the share of “expansion of production capacity” declined broadly from 28.8% to 24.8% due to reduced investments in semiconductors for electric machinery and to inactivity in the development of IT-related materials in cement, ceramics & glass and non-ferrous metals.

In “product development and upgrading,” the share increased with the contribution of iron & steel in the materials subsector and it also increased in processing & assembly industries due to the contribution of precision machinery, where there was an increase in medical instruments, thus resulting in an increased share (18.6% → 19.6%).

Despite a drop in “rationalization and labor-saving” in the materials subsector due to the completion of rationalization in paper & pulp and iron & steel, its share increased in processing & assembly industries with the contribution of automobiles, resulting in an increased share overall (12.3% → 13.3%).

The share for “research & development” increased from 8.4% to 8.7% in the manufacturing sector as a whole with an increase in the materials subsector due to the contribution of chemicals, which is related to pharmaceuticals, as well as non-ferrous metals. R&D also increased in the processing & assembly subsector due to the contribution of automobiles, where there were environment-related investments.

The share of “maintenance and repair” increased from 19.2% to 21.3% overall, led by an increase in assembly industries due to the contribution of iron & steel, where there were blast furnace repairs, and supported by increases in processing & assembly industries, reflecting the contribution of electric machinery.

Investment Motives

	Total (1,770 firms)		Manufacturing						Non-Manufacturing	
					Materials		Processing & Assembly			
	FY2001 Estimated	FY2002 Planned	FY2001 Estimated	FY2002 Planned	FY2001 Estimated	FY2002 Planned	FY2001 Estimated	FY2002 Planned	FY2001 Estimated	FY2002 Planned
Expansion of Production Capacity	49.0	50.2	28.8	24.8	27.2	22.4	29.5	25.3	55.8	57.9
Product Development and Product Upgrading	8.1	6.9	18.6	19.6	8.0	8.9	25.0	26.1	4.6	3.0
Rationalization and Labor-Saving	5.3	5.5	12.3	13.3	16.9	16.3	9.9	11.6	2.9	3.1
Research & Development	2.9	2.8	8.4	8.7	6.5	7.4	9.8	10.0	1.1	1.0
Maintenance	18.2	18.5	19.2	21.3	28.6	32.4	13.6	14.8	17.9	17.6
Others	16.5	16.2	12.6	12.3	12.8	12.5	12.2	12.2	17.8	17.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Figures are given as percentages.

4. Trends in Land Investment, by Principal Business Sector

Estimated Actual Land Investment for FY2001

Estimated actual land investment for FY2001 (based on figures for the 1,649 firms that responded in both FY2000 and FY2001) was down 29.9% compared with the previous year, the fifth consecutive annual decline. The primary factor involved in the decrease was the overall lack of activity in asset acquisition due to business restructuring, which had been at a high level in FY1999 and FY2000. Other factors included the low level of acquisition of land for new plant construction in the manufacturing sector, with acquisition of land for redevelopment projects having passed its peak especially in the Tokyo metropolitan area in the non-manufacturing sector, despite investments in land for construction of new airports (in transportation) and head offices (in telecommunications & information). As a result, there were year-on-year decreases of 44.5% and 26.9% in the manufacturing sector and non-manufacturing sector, respectively. Consequently, the share of land investments in total capital spending was 4.8% (2.2% for the manufacturing sector and 5.8% for the non-manufacturing sector).

Planned Land Investment for FY2002

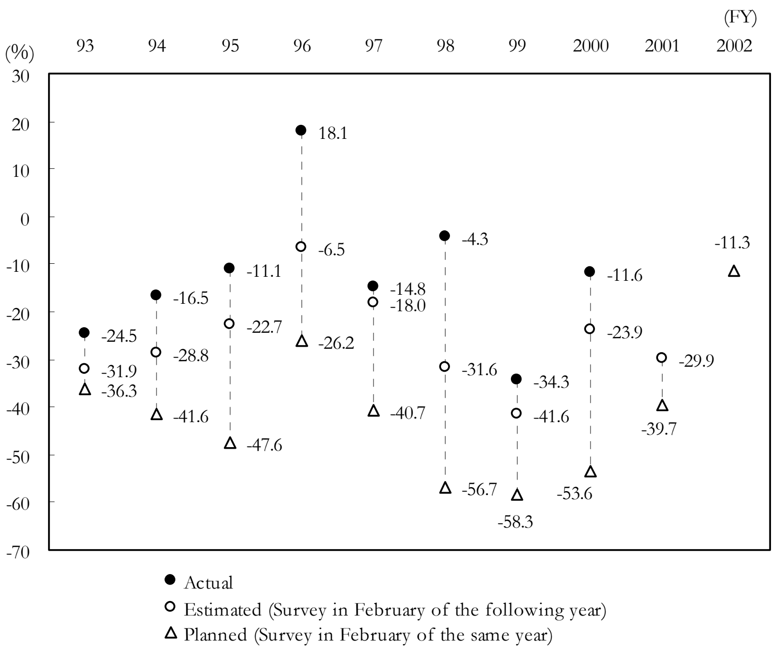
Planned land investment for FY2002 (based on figures for the 1,920 firms that responded in FY2001 and FY2002) was down 11.3% due to reaching the peak of investments in new airport sites (in transportation) and to other uncertain factors, despite an increase in sites for new railway lines in the Tokyo metropolitan area. The ratio of land investment in total capital spending is 4.1%.

There is, incidentally, a tendency for large upward revisions in land investment between the planning stage and actual implementation.

Trends in Land Investment

	FY2000 Actual	FY2001 Estimated	Growth Rate (%) 2001/2000	FY2001 Estimated	FY2002 Planned	Growth Rate (%) 2002/2001
	(1,649 firms)			(1,920 firms)		
Total Investment	108,861	102,334	-6.0	114,455	114,324	-0.1
Investment excluding Land	101,897	97,450	-4.4	109,158	109,624	0.4
Investment in Land	6,965	4,884	-29.9	5,297	4,700	-11.3
Share of Land (%)	*6.4*	*4.8*		*4.6*	*4.1*	
Manufacturing						
Total Investment	28,765	29,203	1.5	32,365	30,065	-7.1
Investment excluding Land	27,588	28,551	3.5	31,577	29,755	-5.8
Investment in Land	1,177	653	-44.5	789	310	-60.7
Share of Land (%)	*4.1*	*2.2*		*2.4*	*1.0*	
Non-Manufacturing						
Total Investment	80,097	73,131	-8.7	82,089	84,259	2.6
Investment excluding Land	74,309	68,899	-7.3	77,581	79,869	2.9
Investment in Land	5,788	4,231	-26.9	4,508	4,390	-2.6
Share of Land (%)	*7.2*	*5.8*		*5.5*	*5.2*	

Growth Rate of Total Investment in Land by All Industries



5. Trends in Capital Spending by Foreign-Affiliated Firms, by Principal Business Sector

There were 137 foreign-affiliated firms (more than one-third foreign ownership) among the 2,906 that responded to the survey in both FY2001 and FY2002, accounting for a 5.4% share (FY2002) of the capital spending of all firms.

The outlook for estimated actual capital spending in FY2001 was a decrease of 9.3%. Despite drops in cement, ceramics & glass and electric machinery, the manufacturing sector (up 3.2%) will rise due to a large increase in the heavily weighted chemicals sector. Decreased spending is expected in the non-manufacturing sector (down 31.4%) due to a broad drop in services with the completion of a large-scale theme park that will more than offset an increase in telecommunications & information.

Capital spending plans in FY2002 call for a drop for the second consecutive year of around 3.3%. While the non-manufacturing sector (up 2.2%) will increase due to the establishment of new outlets in wholesale & retail and increased network-related investments in telecommunications & information, the manufacturing sector will shift to a downturn (down 8.3%) reflecting restrained investments in the heavily weighted electric machinery and transport machinery sectors.

Capital Spending by Foreign-Affiliated Firms, by Principal Business Sector

	Capital Spending				Growth Rate (%)		Share (%)	
	FY2000 Actual	FY2001 Estimated	FY2001 Estimated	FY2002 Planned	2000/2001	2001/2002	FY2002	
	(128 firms)		(137 firms)				(137 firms)	(All firms)
Total	8,313	7,542	11,926	11,529	-9.3	-3.3	100.0	5.4
Manufacturing	5,319	5,488	6,273	5,754	3.2	-8.3	49.9	8.5
Non-Manufacturing	2,994	2,054	5,654	5,775	-31.4	2.2	50.1	4.0
By sector								
Materials	1,287	1,522	1,657	1,599	18.3	-3.5	13.9	7.5
Processing & Assembly	3,846	3,715	4,365	3,698	-3.4	-15.3	32.1	8.3
Energy	185	250	250	457	35.1	82.7	4.0	1.2
Non-Manufacturing excluding Energy	2,994	2,054	5,654	5,775	-31.4	2.2	50.1	5.3

Notes: Foreign-affiliated firms are firms with over one-third foreign ownership. Monetary amounts are in 100 million yen.

6. Information Technology Investment, by Principal Business Sector

Contents of the survey

The surveys are conducted relating to trends in information technology investments implemented for the purpose of increasing efficiency and enhancing productivity in one's own company (corresponding to any of the following four factors: "tangible fixed assets", "intangible fixed assets", "lease contract amounts", and "other expenses"). These surveys started with the August 2000 survey, the present survey being the fourth.

Actual IT investment in FY2001

Actual IT investment in FY2001 (based on the 1,496 firms that responded to the survey in both FY2000 and FY2001) rose 17.0% for all industries, exceeding the growth rate of total capital spending (up 7.6% in manufacturing and up 21.3% in non-manufacturing). In the manufacturing sector, investment in product management systems was evident in the materials subsector and overall. The non-manufacturing sector saw broad increases in wholesale & retail, and airlines and railways in the transportation subsector, in addition to those of the heavily weighted electric power sector.

A breakdown of IT-related investments in terms of actual investments in FY2001 shows a relatively even distribution among tangible fixed assets (30.5%) and intangible fixed assets (29.7%).

Planned IT investment for FY2002

Planned IT investment for FY2002 (based on the 1,374 firms that responded to the survey in both FY2001 and FY2002) shifted to negative growth in the non-manufacturing sector (down 11.3%), showed sluggish growth in the manufacturing sector (up 1.5%), and recorded an overall decline of 7.6% for all industries. By industry, investments in the manufacturing sector remained firm in product inventory control and customer management and continued to increase. Meanwhile, the non-manufacturing sector moved downward in reaction to the heavy concentration of investments in electric power, wholesale & retail and airlines in the previous year.

As a result of the above, there was a drop in the ratio of IT-related investment in total capital spending.

Revisions to IT investment

Considering the conditions of revisions in the previous survey on IT investment (August 2001), the downward revision of 6.2% in estimated actual investments in FY2001 indicates a trend approaching that of the downward revision in overall capital spending.

Overview of IT Investment (estimated actual figures for FY2001)

Industrial Sector (1,496 firms)	Amount of IT Investment		Change in IT Investment (%)	Change in Capital Spending (%)	Share of IT Investment (%)		IT Investment / Capital Spending (%)	
	FY2000 Actual	FY2001 Estimated	2001/2000	2001/2000	FY2000 Actual	FY2001 Estimated	FY2000 Actual	FY2001 Estimated
Total	8,954	10,475	17.0	-5.0	100.0	100.0	7.6	9.3
Manufacturing	2,828	3,043	7.6	-1.7	31.6	29.0	10.6	11.6
Non-Manufacturing	6,127	7,432	21.3	-5.9	68.4	71.0	6.7	8.6
By Sector								
Materials	872	1,027	17.7	5.7	9.7	9.8	8.2	9.2
Processing & Assembly	1,822	1,856	1.9	-9.9	20.3	17.7	11.9	13.4
Energy	2,419	2,986	23.5	2.0	27.0	28.5	6.6	8.0
Non-Manufacturing Excluding Energy	3,842	4,607	19.9	-10.3	42.9	44.0	6.9	9.2

Note: Monetary amounts are in 100 million yen.

Overview of IT Investment (planned figures for FY2002)

Industrial Sectors (1,374 firms)	Amount of IT Investment FY2001 Estimated	Amount of IT Investment FY2002 Planned	Change in IT Investment (%) 2002/2001	Change in Capital Spending (%) 2002/2001	Share of IT Investment (%) FY2001 Estimated	Share of IT Investment (%) FY2002 Planned	IT Investment / Capital Spending (%) FY2001 Estimated	IT Investment / Capital Spending (%) FY2002 Planed
Total	6,783	6,265	-7.6	0.6	100.0	100.0	9.8	9.0
Manufacturing	1,956	1,986	1.5	-6.8	28.8	31.7	11.9	12.9
Non-Manufacturing	4,826	4,279	-11.3	3.0	71.2	68.3	9.2	7.9
By Sector								
Materials	529	537	1.5	-11.0	7.8	8.6	9.2	10.5
Processing & Assembly	1,266	1,244	-1.7	-7.4	18.7	19.9	13.4	14.2
Energy	1,721	1,546	-10.2	-1.1	25.4	24.7	6.3	5.7
Non-Manufacturing Excluding Energy	3,267	2,938	-10.1	7.8	48.2	46.9	12.3	10.3

Note: Monetary amounts are in 100 million yen.

Comparison between IT Investment and Capital Spending (FY2001, FY2002)

Industrial Sector (1,374 firms)	Tangible Fixed Assets in IT Investment FY2001 Estimated	Tangible Fixed Assets in IT Investment FY2002 Planned	(Tangible Fixed Assets + Leasing) in IT Investment FY2001 Estimated	(Tangible Fixed Assets + Leasing) in IT Investment FY2002 Planned	Capital Spending FY2001 Estimated	Capital Spending FY2002 Planned	Tangible Fixed Assets/Capital Spending (%) FY2001 Estimated	Tangible Fixed Assets/Capital Spending (%) FY2002 Planned	(Tangible Fixed Assets + Leasing)/Capital Spending (%) FY2001 Estimated	(Tangible Fixed Assets + Leasing)/Capital Spending (%) FY2002 Planned
Total	1,646	1,388	3,591	3,060	69,109	69,544	2.4	2.0	5.2	4.4
(2001/2002 growth) (%)		-15.6		-14.8		0.6				
Excluding leasing	1,643	1,387	3,575	3,052	61,421	61,746	2.7	2.2	5.8	4.9
Manufacturing	268	291	863	844	16,477	15,353	1.6	1.9	5.2	5.5
Non-Manufacturing	1,378	1,097	2,728	2,216	52,632	54,191	2.6	2.0	5.2	4.1
By Sector										
Materials	74	73	236	241	5,718	5,088	1.3	1.4	4.1	4.7
Processing & Assembly	177	195	586	556	9,469	8,770	1.9	2.2	6.2	6.3
Energy	515	321	972	690	27,342	27,040	1.9	1.2	3.6	2.5
Non-Manufacturing Excluding Energy	880	799	1,797	1,574	26,581	28,647	3.3	2.8	6.8	5.5

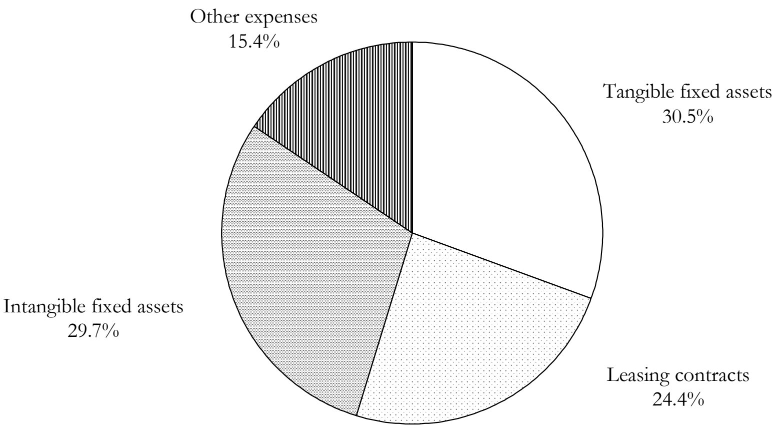
Note: Monetary amounts are in 100 million yen.

Revisions to IT Investment

Industrial Sector	FY2001, Estimated IT Investment (1,424 firms) Aug. 2001	FY2001, Estimated IT Investment (1,424 firms) Feb. 2002	Revisions (%)
Total	10,762	10,098	-6.2
Manufacturing	3,137	2,821	-10.1
Non-Manufacturing	7,626	7,277	-4.6
By Sector			
Materials	1,024	971	-5.1
Processing & Assembly	1,889	1,689	-10.6
Energy	2,904	2,986	2.8
Non-Manufacturing Excluding Energy	4,945	4,451	-10.0

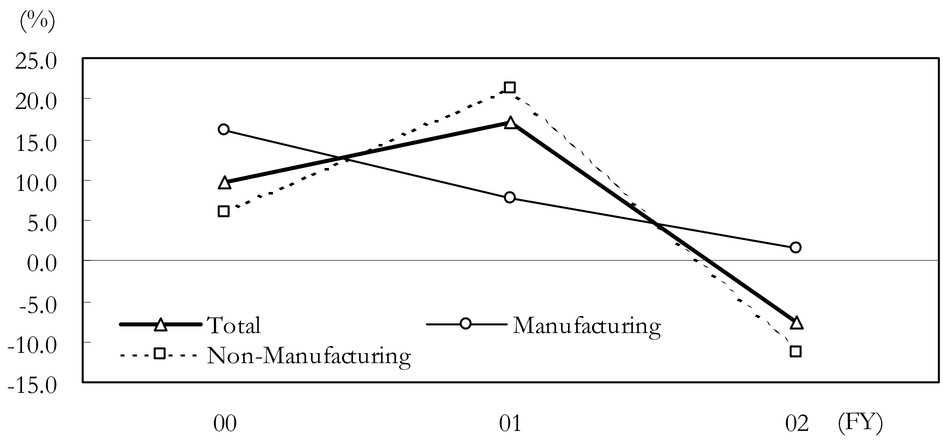
Note: Monetary amounts are in 100 million yen.

Composition of IT Investment (estimated actual figures for FY2000)

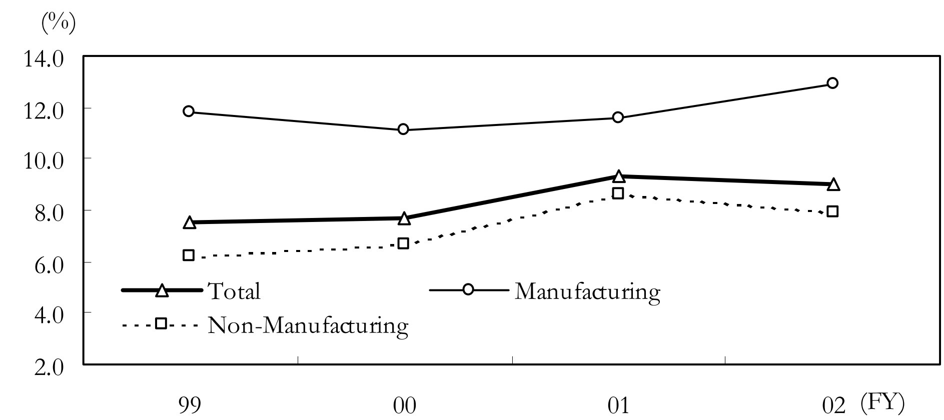


Note: The chart shows the FY2000 distribution of the 1,496 firms that responded to the survey both in FY2000 and FY2001.

Transitions in IT-related Investment Growth Rate



Share of IT-related Investment in Total Capital Spending



List of Back Numbers (Including JDB Research Report)

No. 26 Survey on Planned Capital Spending for Fiscal Years 2001 and 2002 (Conducted in February 2002) (this issue)

No. 25 Environmental Information Policy and Utilization of Information Technology: Toward a Shift in Environmental Policy Paradigm, March 2002

No. 24 The Changing Structure of Trade in Japan and Its Impact: With the Focus on Trade in Information Technology (IT) Goods, March 2002

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